

CALIFORNIA HIGH-SPEED RAIL AUTHORITY
MEETING MINUTES
MAY 7, 2009
SACRAMENTO, CALIFORNIA

The meeting of the California High-Speed Rail Authority was called to order on May 7, 2009 at 10:10 AM at the Sacramento City Council Chambers in Sacramento, CA.

Members Present: Quentin Kopp, Chairman
 Fran Florez
 Rod Diridon, Sr.
 Lynn Schenk
 Thomas Umberg

Members Absent: TJ Stapleton
 David Crane
 Kirk Lindsey
 Curt Pringle

Opening Comments

Chairman Kopp welcomed Board Members to today's meeting. Chairman Kopp stated due to scheduling conflicts there would not be a quorum present and therefore the Board would be unable to act on certain agenda items scheduled for action. Those agenda items would be continued to the June 4th board meeting.

Approval of Meeting Minutes for March 5th, 2009

Chairman Kopp presented the minutes from the March 5th meeting for approval. Member Diridon moved to approve, seconded by Member Umberg. The motion was adopted.

Authority Members' Meetings for Compensation

Chairman Kopp presented the meeting for compensation for approval. Member Diridon moved to recommend the approval of the meetings to the full Board at the next Board meeting, Member Umberg seconded. The motion was adopted.

Member Reports

Chairman Kopp reported that he, along with Members Diridon, Schenk and Crane met with various members of Congress and the Secretary of Transportation, Ray LaHood on March 10, 11 & 12. LaHood conveyed a strong sense of President Obama's strong intent to make high speed rail his transportation legacy. Chairman Kopp also met with Senators who expressed their intent to sponsor legislation that would establish dedicated continuing permanent fund for high speed rail and grant applications. Senator Kerry also intends to introduce legislation relative to federal financing for high speed rail investment.

Chairman Kopp also reported on April 28, 2009, the Governor called a meeting in his office. Chairman Kopp, Members Crane and Diridon were present, along with Executive Director Morshed and other transportation luminaries. The purpose of the meeting was to coordinate with California transportation agencies for money from the American Recovery and Reinvestment Act (ARRA). Chairman Kopp stated Will Kempton will be the point of contact and will be responsible for collecting all applications for collating and putting in priority order. Mr. Kempton imparted information to the effect although the Secretary of Transportation must publish the criteria for eligibility on or before June 17, 2009. It is expected that the criteria will be published much earlier, perhaps in May.

Chairman Kopp reported since the November 4th vote, high speed rail has become more popular than ever. Board members have received letters and phone calls offering special skills, services and money. Chairman Kopp suggested all inquiries and marketing efforts be transmitted to Executive Director Morshed.

Member Umberg reported he and Member Pringle met with Executive Director of MTA Art Leahy, and MTA Board Member Richard Katz a few weeks ago and they expressed their strong support for high speed rail.

Member Diridon stated that Chairman Kopp's summary of the Washington trips was well stated. Member Diridon added that President Obama gave a speech stating "Other countries have a high speed rail but we do not. But we are America and we are going to build the best system that's ever been built." Member Diridon stated the High Speed Rail project has an opportunity that has never been seen in regards to bi-partisan support for a project like the California High Speed Rail and it is our responsibility to move very quickly. Member Diridon stated any delay on a \$40 billion project would cost a tremendous amount of money. Member Diridon expressed his concerns in regards to the issue that relates to Northern Santa Clara County and Southern San Mateo County area where he felt the public was being fed misinformation which was causing the general population to be concerned. Member Diridon stated he hopes the Authority can use their community outreach capacity to communicate the factual information.

Chairman Kopp would like to add that the day before the Board meeting he spoke at the Great Valley Conference, which is dedicated to building a livable future in the San Joaquin Valley. He sensed strong anticipation of high speed rail in the Central Valley. He was asked about the Altamont Corridor by a newspaper reporter and stated the differences in opinion appear to have dissipated and now all parties are fully committed to achieving a connecting system with high speed rail that will ensure to the benefit of both the Northern Central Valley and Alameda and Contra Costa County.

Executive Director Report

Executive Director Morshed reported:

- The work on the building the HSR resumed on April 7th of this year. Until then we did not have the cash flow and money to utilize the contractors and consultants and do most of the work that was necessary. Lack of funding caused a great deal of concern because they did not have the proper information.
- Acknowledged the enthusiasm of the governor and president. However it will take some time to get organized and move as quickly as everyone would like. We have some significant staffing restrictions and staffing issues that need to be addressed as we move forward. We are working with the Governor's Office and Legislature to overcome the issues.
- The Authority requested \$137M for the 09 budget. There have been two budget hearings held for discussion but no action was taken.
- The chairman asked Executive Director Morshed to relay to the board members that the members should be very cognizant about what they say about the choices and process and they should be judicious about their statements and be careful about stating the policy of the board. The Authority needs to put additional resources in the outreach and is in the process of re-evaluating our outreach support, and acknowledged that we have a great outreach team.

Chairman Kopp recognized Member Schenk's arrival and stated there was now a quorum.

Designation by Secretary of Business, Transportation and housing and Director of Department of Finance of peer review group members

Chairman Kopp reported that under the Public Utilities Code section 185035, the Authority shall establish an independent peer review group for purpose of reviewing, planning, engineering, financing and other elements of our plans and issuing analysis of appropriateness and accuracy of the assumption by the ability of the financing plan, including the funding plan for each corridor.

Member Diridon recommended the Board act formally as a quorum since Member Schenk was now present. Member Diridon suggested approval of agenda items addressed prior to Member Schenk's arrival.

The meeting minutes for the March 5th meeting were deemed approved by the Board, which carried 5-0.

The meetings for compensation were deemed approved, which carried 5-0.

Federal Stimulus

Alene Tchourumoff of IMG, financial consultant to the Authority, presented a report on the Federal Funding. Executive Director Morshed recommended approval of the proposed schedule for inclusion of project items in the Authority's American Recovery and Reinvestment Act application. Extensive discussion ensued. On motion by Chairman Kopp, duly made, and seconded by Member Umberg and passed, the following resolution was adopted:

Resolved, that the staff's draft approach and plan of action for the American Recovery and Reinvestment Act application contained in the Executive Director's memorandum, dated April 30, 2009, is approved, except that staff is directed to include both the Los Angeles-Anaheim and San Francisco-San Jose corridors in the Authority's application for ARRA funding, based on the Board's view that all conditions precedent to qualifying both corridors for ARRA funding can be satisfied in time to meet the September 30, 2012 obligation deadline.

The IMG presentation is available upon request.

Pending Legislation

Steve Schnaidt presented an update on the bills being considered by the Legislature for board discussion and action. Member Diridon moved to approve, Member Umberg seconded. The motion carried 5-0.

Approval of Public Affairs Proposal

Executive Director Morshed requested authority for the publication of a Request for Proposal on a Public Affairs contract for board approval. Member Diridon moved to approve, Member Umberg seconded. The motion carried 5-0.

Altamont Corridor Project update

Peter Valentine and Brent Ogden presented an update on the progress of the Altamont Corridor Project and gave an overview of the "Altamont Corridor Preliminary Project Description" which has been developed working in cooperation with the Altamont Pass Working Group.

Mr. Valentine's presentation is available upon request.

Approval of MOU with the San Joaquin Regional Rail Commission

Staff requested authorization to enter into an MOU with the San Joaquin Regional Rail Commission, in regards to working cooperatively for the planning and implementation of a joint use (Regional Rail and HST) project in the Altamont Corridor between the Central Valley and Bay Area, and the HST corridor linking Sacramento to Merced. Member Florez moved to approve, Member Schenk seconded. The motion carried 5-0.

Approval of Draft MOU with the City of Sacramento

Staff requested authorization to enter into an MOU with the City of Sacramento, in regards to working cooperatively for the planning and implementation of HST. The location of the Sacramento station and the operation of the high-speed train system, particularly between Sacramento and Merced, and a joint use (Regional Rail and HST) project between the Central Valley and the Bay Area via the Altamont Pass, are matters which concern both parties. Member Diridon moved to approve, Member Umberg seconded. The motion carried 5-0.

Public Comment

An opportunity for public comment was provided after each item was heard.

Chairman Kopp stated the Board meeting would be in recess while Board members met with Legal Counsel in closed session.

After the closed session, Chairman Kopp reported the Board had met in closed session to discuss pending litigation in Sacramento County Superior Court and the meeting was adjourned.